



City of Rockville

## **M E M O R A N D U M**

November 22, 2004

TO: Planning Commission

FROM: Scott E. Parker, AICP, Planner III

VIA: Bob Spalding, AICP, Chief of Planning

SUBJECT: Falls Grove Concept Plan Amendment, CPD1999-0004A; 1. To allow a hotel of 125,000 to 150,000 square feet in lieu of a corresponding amount of office. 2. Permit office development in lieu of multi family development on a residual multi-family residential parcel. 3. Allow a child care facility as an approved use in Falls Grove. 4. Transfer unused retail space from the Village Center to one of the neighboring commercial parcels - Recommendation to the Mayor and Council.

### **BACKGROUND**

On February 22, 2000, the Mayor and Council approved CPD99-0004, authorizing development on the former Thomas Farm site, now known as Falls Grove. The approval authorized a total of 1,530 dwelling units, 150,000 square feet of commercial retail and 950,000 square feet of office/research and development space. Application was a Comprehensive Planned Development similar to King Farm

There have been a total of 1,411 units approved through the residential series of Detailed Applications for Falls Grove, which represents the total number of units they are planning to build. A 55,068 square foot office building at the corner of Shady Grove Road and West Montgomery Avenue and one 75,000 square foot office building located at the 130,000 square-foot Village Center have been completed. The Falls Grove Corporate Center, a 210,981 square foot signature office building, has been approved. Building permits are pending.

## **PROPOSAL and ANALYSIS**

### **Proposal**

The applicants are proposing a change to the Concept Plan that has four parts, which are as follows:

1. To allow a hotel of 125,000 to 150,000 square feet in lieu of a corresponding amount of office.
2. Permit office development in lieu of multi family development on a residual residential parcel
3. Allow a child care facility as an approved use in Falls Grove.
4. Transfer unused retail space (approximately 20,000 square feet) from the Village Center to one of the neighboring commercial parcels.

### **Analysis**

The first request of this Concept Plan amendment is to allow a hotel use in lieu of 125,000 – 150,000 square feet of office. The hotel would be designated on two potential office sites, both of which are on Shady Grove Road, flanking both sides of the new Blackwell Road as it enters Falls Grove. The hotel would be allowed on only one of the parcels.

As part of this application, the applicant has submitted a traffic statement that indicates there will be a reduction in traffic trips associated with a hotel in lieu of office space. It should be noted that the allowable 950,000 square feet of office for Falls Grove was divided between 425,000 square feet of office and 425,000 square feet of R & D uses, as defined within the Concept Plan. Falls Grove has stated that the office space surrendered through this amendment would be deducted equally from the amount of approved office and the amount of approved R & D space.

It has also been presented to staff that a hotel on this site, given market conditions and site layout, would be significantly smaller than an office building on this site. This would ultimately reduce any parking provided on the site significantly. The applicant has stated that the hotel will be surface parked exclusively, while a 125-foot office building on this site could potentially have multiple stories of parking within a structure.

The second part of the request is to allow office construction on a small parcel of land at the intersection of Woodhill Road and West Montgomery Avenue. This parcel is currently designated multi-family by the Concept Plan. The maximum number (765) of multi-family units permitted by the Concept Plan have been built. The applicant states that this parcel is ideal for a small (three or four story) office building.

The third part of the request is to allow a child care facility as an approved use within Falls Grove. Currently, the Falls Grove Concept Plan does not allow Institutional Uses, of which child care is considered under Section 25-643(5)a.

The fourth part of the request is to allow the approximately 20,000 square feet of retail that was not built with the approved Village Center to be potentially built on one of the two aforementioned office parcels.

As part of the consideration of this amendment, Fallsgrove has offered to abandon and relinquish the ability to develop 75 units of the remaining 119 units currently still available to build per the Concept plan. To date, Fallsgrove has constructed 1,411 units of the approved 1,530. It should be noted that no more multi-family development can be built, because their Concept Plan mandated cap of 745 has been attained. Any remaining development would have to take the form of single family attached or detached.

## **STAFF RECOMMENDATION**

**1. Request to allow 125,000 - 150,000 s.f. of hotel use** – Staff recommends approval of this change. The Concept plan that approved Fallsgrove did not specify the amount of office that could be built on any one parcel. The approval was for an overall total square footage, regulated only by height, which in the case of office is 125 feet. This parcel was designated for office, and could be developed with a 125-foot tall building with accompanying parking structure. Conversely, the type of hotel that would be built on this parcel is unlikely to be this tall, given the market demands for hotel uses in the area, and the type of facility contemplated by the applicant. Therefore, parking for a hotel use would be significantly less.

Staff has consistently informed the applicant that a thorough evaluation of any parking associated with an office building would be done to ensure the mitigation of any potential negative effects on adjacent residential properties. The applicant states that a hotel for this area would have all surface parking, while an office building would have potentially have a significant structure.

Also, a hotel generates less overall traffic trips than an office. While it is true that trips associated with a hotel are potentially spread out over a wider time frame of the day, staff feels that the overall reduction of trips, and parking, is more significant.

Staff also feels that this use is appropriate for the area and recommends approval of this part of the amendment.

**2. Permit office development in lieu of multi-family development on a residual parcel** – The size and configuration of this parcel, combined with the five-story office buildings and four story residential structures adjacent, makes it an appropriate place for a small office building. The Transco gas right-of-way easement on the property creates a difficult development issue that is more significant with residential development than it is for commercial. An office building on

this property would be low scale, conducive to neighborhood-serving medical or service type uses.

Staff recommends approval of this part of the amendment, with a condition that the height of the building be limited to a maximum of four stories, commensurate with the adjacent office buildings and the adjacent four-story multi-family rental component.

**3. Allow a child care facility as an approved use in Falls Grove** – This is a use that is needed within Falls Grove, and staff recommends approval of this aspect of the proposal, subject to a condition that the facility would be limited to areas of the Concept Plan that are designated for retail or office/R&D uses. This would include the parcel associated with this amendment, if the designation were changed.

**4. Transfer unused retail space from the Village Center to one of the neighboring commercial parcels** – The parcel referred to in this amendment would be the commercial properties flanking Blackwell Road on Shady Grove Road. Staff is concerned about traffic and consistency with the land use concept of an additional 20,000 square-feet of retail if oriented in a “retail strip” configuration. Staff would advocate, however, the increasing of the amount of ancillary retail space included in an office building.

Currently, the Falls Grove Concept Plan states “ancillary retail use may be included on the office and R&D parcels, provided it does not exceed 10,000 square feet in the aggregate.” Staff feels that retail is an appropriate and compatible use with an office component, and we believe that the increasing of the maximum square footage to 20,000 square feet ancillary to office is acceptable. This condition would allow some additional retail as a mixed use with office, but would preclude the creation of a strip of retail or a “pad” site for a restaurant. It should be noted that staff recommends that no one office parcel should contain more than 10,000 square feet of retail. Staff points out that 2,500 square feet of ancillary retail has been approved, and it is associated with the 210,981 square foot office building referred to as the Corporate Center.

Staff recommends approval as amended.

## **NOTIFICATION:**

Notices were sent to approximately 1,275 residences and businesses. As required by the Zoning Ordinance, certified mail was sent to approximately 106 property owners adjacent to Falls Grove.

### **Attachments**

1. Applicant’s justification letter
2. Site Map